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Highlights



1.0 Transition to Security Self-Reliance

ï For the first time at Camp Hit, a small outpost located on the outskirts of the city of Hit, US Marines and Iraqi security forces will continuously live and work together.

2.0 Support a Free and Democratic Iraq

The Transitional National Assembly (TNA) Constitutional Committee is continuing its work on constitution-drafting process. According to the Transitional Administrative Law, the TNA shall complete the draft of the permanent constitution by no later than August 15.

3.0 Provide Essential Services

i On July 10, bilateral energy consultations were held between the Iraqi Oil and Electricity Ministries and the US Departments of Energy and State, covering issues such as developing a needs assessment and Iraqís natural gas utilization for power generation.

Highlights



4.0 Establish Foundation for a Strong Economy

ï The US-Iraq Joint Commission on Reconstruction and Economic Development (JCRED) convened July 10 -11 to follow-up and build upon the progress of previous economic policy discussions between the two governments.

5.0 Promote the Rule of Law

The head of the Criminal Court in Kut said that the Supreme Court in Iraq has approved death sentences for three Iraqis who were convicted of homicide, kidnappings, and looting in Al Wihata and Al Suwana, south of Baghdad.

6.0 Maintain International Engagement and Support

ï On July 5, 109 Azerbaijani servicemen left for Iraq to serve in the city of Hadida with the international coalition forces. They will replace their counterparts who have completed their mission.

7.0 Promote Strategic Communications

Ön July 8, the Embassy facilitated the travel of nine Iraqi journalists to cover the Joint Commission on Reconstruction and Economic Development (JCRED) Conference in Amman. These nine journalists, whose news outlets do not have bureaus in Amman, will now be able to cover the conference in addition to the Iraqi news outlets that have a Jordanian presence.

[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces



Iraqi Security Forces Update:

- i The Iraq Police Service graduated 172 police officers from advanced and specialty courses at the Adnan Training Facility on July 7.
- i For the first time at Camp Hit, a small outpost located on the outskirts of the city of Hit, US Marines and Iraqi security forces will continuously live and work together.
- i Iraqi and US soldiers conducted a joint cordon and search mission on July 6 in western Baghdad. They captured seven detainees and assorted weaponry and documents, including Kellogg, Brown and Root badge-making material and imagery maps of the area.

[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED				
POLICE	62 500				
HIGHWAY PATROL	~ 63,500				
OTHER MOI FORCES	~ 30,300				
TOTAL	~ 93,800*				

Ministry of Defense Forces

COMPONENT	OPERATIONAL					
ARMY	~ 77,100					
AIR FORCE	~ 100					
NAVY	~ 500					
TOTAL	~ 77,700**					

Total Trained & Equipped ISF:

~ 171,500

- * Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers

[2.0] Support a Free and Democratic Iraq ñ Developments



Constitution Update:

i USAIDís partner providing support to the constitutional development process held a meeting entitled iThe Effect of the Constitution: the Step after the Referendumî for 25 lawyers - including seven women - from unions, private practice law offices and NGOs. NGO lawyers gained a better understanding of the role of the constitution in protecting the rights of the citizens of Iraq.

Local Governance:

- ï Representatives of USAIDís Local Governance Program (LGP) recently met with eight members of the Babil Provincial Council (PC) to discuss a workshop on federalism and to review its governing bodiesí policy and procedures. The Babil PC recently issued the following decisions which reflect the impact of LGP training on its decision making process:
 - ñ Babil PC, as part of its organizational and oversight role, has asked citizens to send representatives to meet the PC rather than organizing public demonstrations.
 - ñ The PC used lessons learned from USAID CD-ROM training materials on ìSources of Authority and Council Work Methodsî to work with the Ministry of Communications on an offer presented by a telecommunications company regarding a project in the province.

[2.0] Support a Free and Democratic Iraq ñ Developments



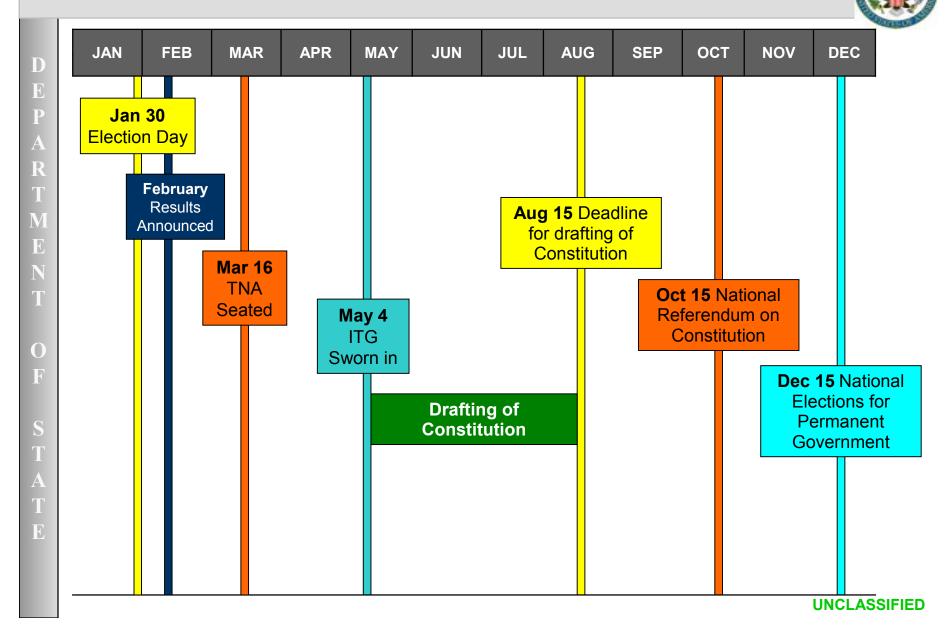
<u>Transitional National Assembly (TNA) Update:</u>

i In June, a follow-up training for TNA members was held through USAID that focused on strengthening membersí knowledge of the nuances of parliamentary business. The workshop highlighted the important role of committee structure and management within the legislature. Participants learned about public consultations, work procedures, oversight techniques, committee leadership duties, staff roles, how to use their expertise efficiently, the role of public hearings in a transparent legislature, and conducting public hearings. A second workshop trained TNA representatives on the role of caucuses and civil society.

Continuing TNA Responsibilities:

- ñ Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- ñ According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- ñ If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.

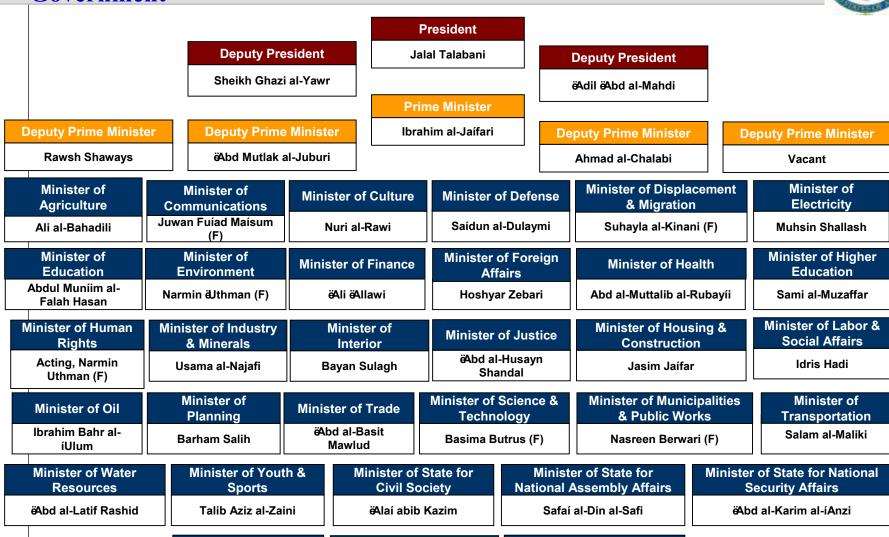
[2.0] Support a Free and Democratic Iraq ñ Electoral Process Timeline



13 July 2005 **UNCLASSIFIED**

[2.0] Support a Free and Democratic Iraq - Iraqi Transitional Government





Minister of State for Minister of State for Minister of State for Womenis Affairs **Tourism and Antiquities**

Provinces

Saíd al-Hardan

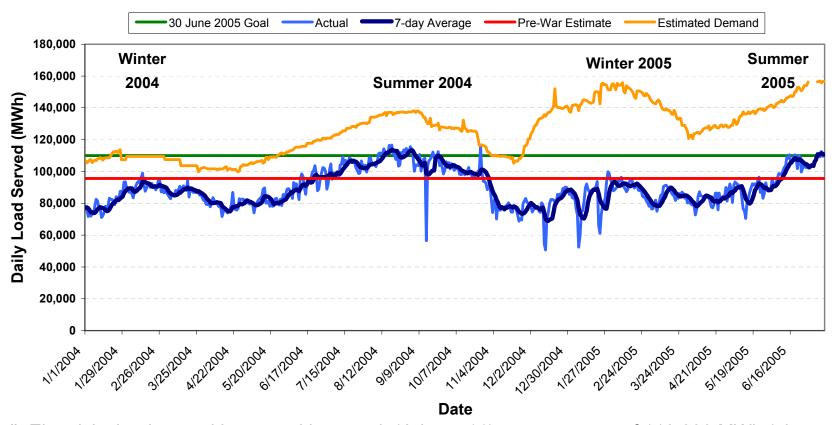
Hashim al-Hashimi Azhar al-Shaykhli (F) (F) = Female

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[3.0] Provide Essential Services ñ Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- ï Electricity load served increased last week (July 4 11) to an average of 110,600 MWh (above the Summer 2005 goal).
- i Average hours of available power were 14 hours in Baghdad and nationwide. However, we have received reports that the South-Central governorates (Babil, Najaf and Qadisiyah) are receiving 6-8 hours per day.

[3.0] Provide Essential Services ñ Oil and Telecommunications



Oil Update:

- ï Crude oil prices in world markets for the week ending July 8 closed with the following prices:
 - ñ Basra Light at \$52.46/barrel ñ Dated Brent at \$57.87/barrel
 - ñ Oman/Dubai at \$54.75/barrel ñ WTI Cushing at \$60.31/barrel
- ï During the US Iraq Joint Commission on Reconstruction and Economic Development in Amman, July 10 - 11, bilateral energy consultations were held between the Iraqi Oil and Electricity Ministries and the US Departments of Energy and State, covering issues such as developing a needs assessment and Iraqís natural gas utilization for power generation.
- i The US Trade and Development Agency and the Iraqi Oil Ministry agreed on a training program for Ministry staff, addressing needs identified by senior-level Ministry of Oil officials.

Telecommunications:

The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of June 27, there were 2,804,147 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers.

[3.0] Provide Essential Services ñ Water and Sanitation



Water and Sanitation:

- i PCO has 80 water treatment projects underway and has completed 46 to date. Under the Accelerated Iraq Reconstruction Program (AIRP) program, there are a further seven water treatment projects under construction and 43 have been completed. The total water treatment capacity to be added from PCO projects is approximately 1.0 million cubic meters per day.
- ï Two irrigation canal cleaning projects are underway in Ninewa and Diyala governorates. The projects will improve access to water supply, benefiting the surrounding communities through increased agricultural production. The canal maintenance projects are funded by USAIDís Agricultural Research and Development for Iraq (ARDI) program.
 - ñ The 24-km long irrigation canal in Diyala serves 3,000 residents of nine villages, providing irrigation for 11,000 donums planted to rice, sun flower, cotton, sesame and vegetables. The 14.5 km-long irrigation canal in Ninewa serves 1,025 residents of five villages, who depend on irrigation to cultivate 2,575 donums of peach orchards and vegetable crops.
 - ñ The ARDI grant will provide funding to hire local farmers to clean the irrigation canals. In Diyala, 70 Iraqis will be hired for the 60-day project. In Ninawa, 95 Iraqis will complete the cleaning in 30 days. They will receive hand tools and other equipment for canal cleaning, as well as basic training.
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[3.0] Provide Essential Services ñ Health Care



Health Care:

- ï Construction is underway on 150 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï A total of 5,098 beds will be distributed to hospitals throughout Iraq between June and December. Once PCO delivers the beds to each governorate, the Director General of each governorate is charged with distributing the equipment to local hospitals based on need.
 - ñ Three hundred beds have been delivered. This project is the beginning of \$109 million in open distribution equipment to be delivered throughout Iraq.
- i USAID recently approved a grant to fund a training program to improve livestock breeding techniques and educate the rural population about the prevention of zoonotic diseases in Iraqi villages. Traditional methods of breeding have contributed to the spread of diseases to humans.
 - Momen are particularly susceptible to such diseases as they typically feed the animals, handle the newborns, and process animal products. The MOA/USAID Zoonotic Disease Extension and Awareness Program will provide training to 4,800 women in 240 villages to improve breeding techniques.

[3.0] Provide Essential Services ñ Education



Education:

- ï A total of 3,065 schools have been rehabilitated to date, and a further 776 are undergoing rehabilitation.
- ï PCO has completed 635 schools renovations to date and a further 61 are under construction. Under the AIRP, an additional 24 school renovations have been completed and 16 are underway. 840 schools are scheduled for completion by mid-2005.
- ï A key initiative of the Legal Education Reform partnership between DePaul University and three Iraqi law colleges under USAIDis Higher Education and Development (HEAD) program is to improve existing curricula in Iraqi law schools, especially in human rights, international criminal law, and international trade law.
 - ñ To achieve quick results, specialized curriculum consultative committees initially focused on changes that can be adopted through the 15-20 percent curriculum discretion Iraqi law professors have for their subjects. The committees also developed recommendations for later national curriculum reform.
 - ñ A recent committee accomplishment that will help bring law instruction closer to international standards is the development of a listing of 200 to 250 key legal terms in English that faculty and students will need to understand in current international law literature, which includes frequent terms uncommon to Arabic. The legal terms will be distributed to all law professors teaching international law courses.

[4.0] Establish Foundation for a Strong Economy ñ Iraqi Stock Exchange and Job Creation



Iraqi Stock Exchange:

- ii On July 4, the Iraqi Stock Exchange (ISX) traded 633,577,651 shares with a total trading volume of NID 4,322,705,234 (\$3,223,198).
 - ñ The banking sector comprised the largest volume of trading. Seven banks traded 324,970,070 shares with a trading volume of 2,401,793,203 (\$1,632,762).
 - ñ The industry sector comprised the second largest volume of trading. Twenty-one companies in this sector traded 245,614,875 shares with a trading volume of NID 1,341,509,645 (\$911,971).

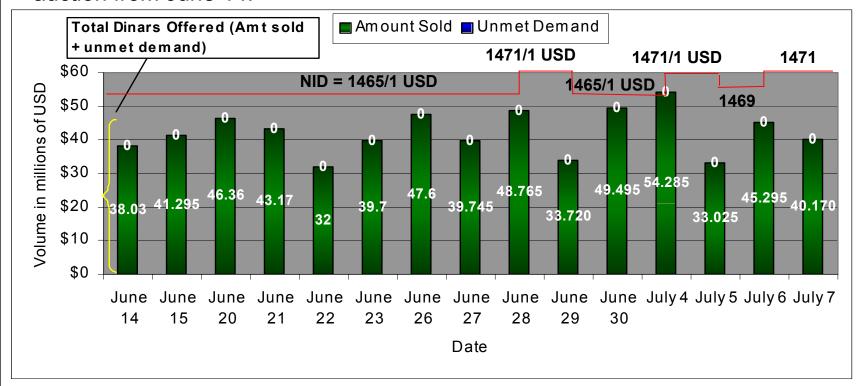
Iraqis Last	Iraqis This	% Change on	
Week	Week	Week	
28,282	27,723	-2.0%	
52,833	49,340	-6.6%	
2,275	3,791	66.6%	
546	433	-20.7%	
23,706	23,706	0.0%	
24,443	24,443	0.0%	
11,157	11,357	1.8%	
143,242	140,793	-1.7%	
	Week 28,282 52,833 2,275 546 23,706 24,443 11,157	Week Week 28,282 27,723 52,833 49,340 2,275 3,791 546 433 23,706 23,706 24,443 24,443 11,157 11,357	

[4.0] Establish Foundation for a Strong Economy - Banking Sector



<u>Iraq Currency Exchange</u>:

i The settlement price at the New Iraqi Dinar (NID) auction on July 11 was 1,476 dinars per USD. Seventeen banks offered and sold a total of NID 57.7 billion (\$39.085 million). The following table shows the purchase volume for NID every auction from June 14.



ï Supply and demand have matched since June 8.

[4.0] Establish Foundation for a Strong Economy

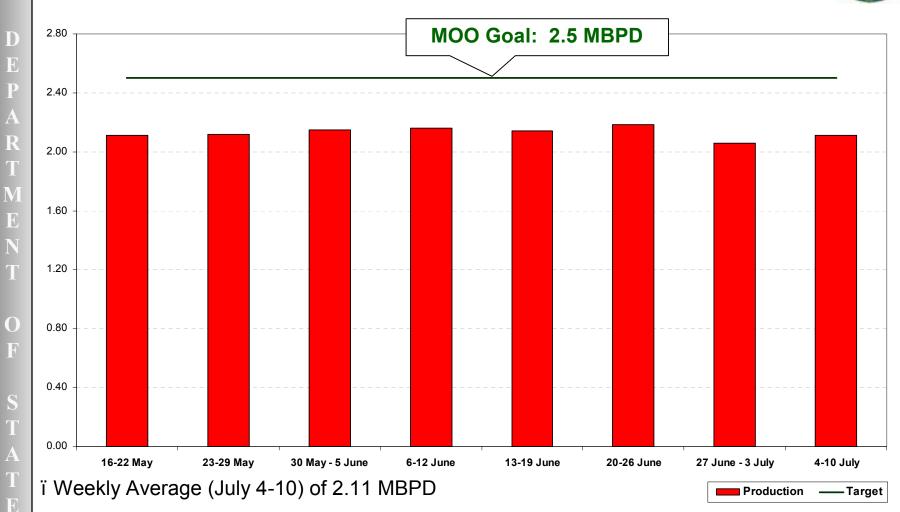


Joint Commission on Reconstruction and Economic Development:

- The US-Iraq Joint Commission on Reconstruction and Economic Development (JCRED) convened July 10 - 11 to discuss economic policies including private sector development, job creation, agriculture, trade, energy and macroeconomic issues.
- i The bilateral discussions, led by Deputy Secretary of State Robert Zoellick and Iraqi Minister of Finance Ali Allawi, focused on strengthening the private sector in Iraq through a combination of US and international assistance and Iraqi reforms.
- ï Both governments signed four agreements to further these goals:
 - ñ A Bilateral Assistance Agreement establishes the legal framework for a long-term US development assistance partnership with Iraq;
 - ñ A Trade and Investment Framework Agreement establishes a joint US-Iraq council to expand trade and investment ties;
 - ñ An Investment Incentive Agreement stimulates private sector growth in Iraq by making Overseas Private Investment Corporation (OPIC) risk insurance and loan guarantee financing programs available to private US investors wishing to invest in Iraq;
 - ñ And an Agriculture Memorandum of Understanding responds to an Iraqi request for technical assistance and capacity building to boost the productivity of Iraqís agricultural resources.

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production



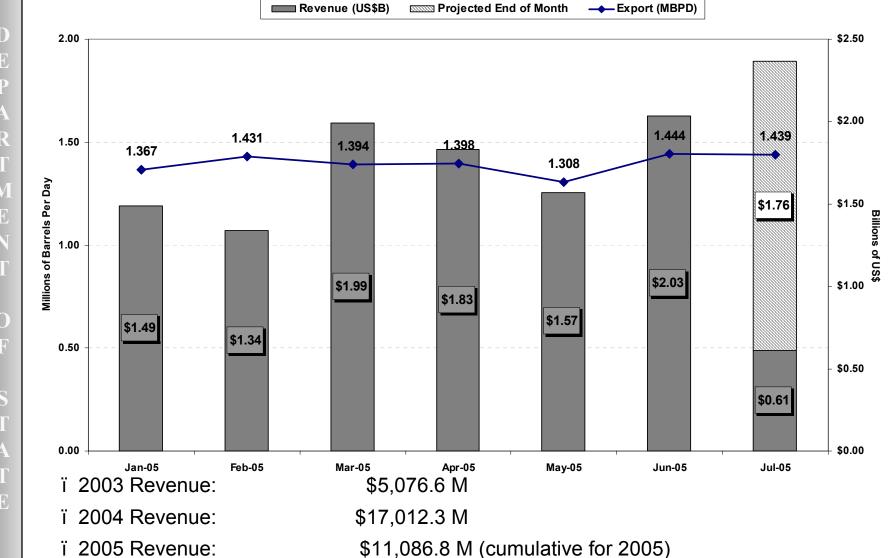


ï Pre-War Peak: 2.5 MBPD in Mar 2003

ï Post-War Peak: 2.67 MBPD

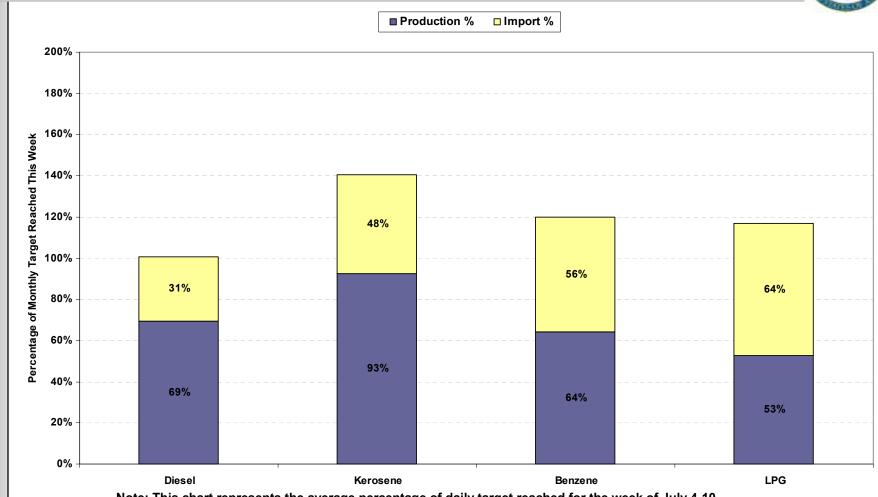
[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export





[4.0] Establish Foundations for a Strong Economy ñ Refined Products

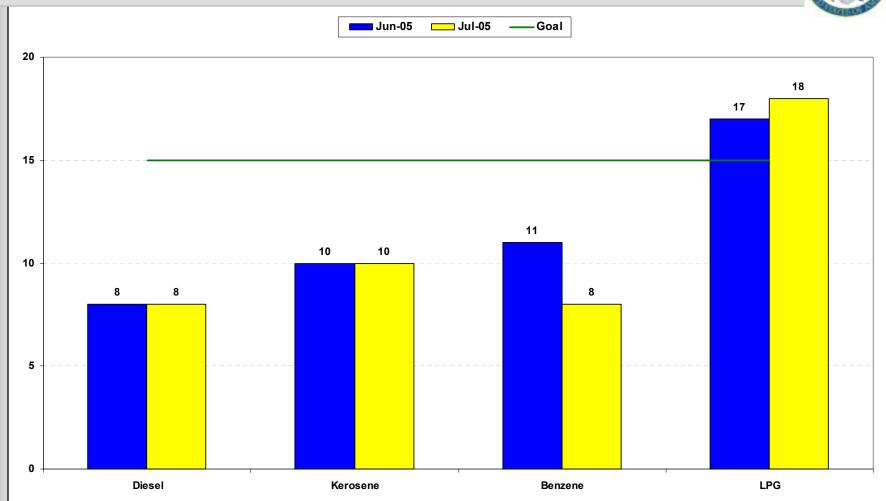




Note: This chart represents the average percentage of daily target reached for the week of July 4-10

ï Diesel: 18.1 ML of 18 ML ü Benzene: 21.6 ML of 18 ML

[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



i The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

[4.0] Establish Foundation for a Strong Economy ñ IRRF I & II Financials



Summary Financial Status, \$M's

\$Millions				Committed		Obligated			Disbursed		
Sector	2207 Report	Apportion	Last Veek	Current	Change	Last Veek	Current	Change	Last Veek	Current	Change
Security and Law Enforcement	5,035.6	5,035.6	4,907.8	4,910.9	3,08	4,476.4	4,496.7	20.33	2,853.6	2,972.9	119.2
Electricity Sector	4,308.2	4,057.6	3,687.1	3,471.0	(216.12)	2,702.5	2,677.6	(24.90)	1,257.6	1,304.5	46.9
Oil Infrastructure	1,723.0	1,723.0	1,599.8	1,563.6	(36.20)	1,126.8	1,120.8	(5.98)	360.6	397.9	37.3
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,116.7	1,146.1	29.37	971.1	970.3	(0.83)	368.8	379.0	10.2
Democracy	905.4	905.3	884.9	885.7	0.85	850.3	865.4	15.06	459.6	467.0	7.3
Education, Refugees, Human Rights, Governance	363.0	363.0	324.2	327.3	3.07	303.8	308.4	4.58	111.2	115.1	3.8
Roads, Bridges and Construction	355.2	355.2	329.9	330.2	0.27	209.6	209.7	0.14	106.6	117.1	10.5
Health Care	786.0	786.0	716.7	716.7	0.01	570.1	570.9	0.87	128.0	130.0	2.0
Transportation and Communications	509.0	508.5	480.1	480.2	0.03	379.6	382.6	3.03	113.1	118.6	5.5
Water Resources and Sanitation	2,156.7	1,829.2	1,753.7	1,780.7	26.99	1,366.5	1,397.7	31.17	216.4	235.4	19.0
Private Sector Development	860.3	840.3	834.3	835.5	1.15	817.5	817.6	0.08	475.3	475.4	0.1
Admin Expense (USAID, STATE)	213.0	213.0	29.0	213.0	184.00	29.0	213.0	184.00	29.0	213.0	184.0
TOTAL	18,439	17,840.9	16,664.2	16,660.7	(3.49)	13,803.1	14,030.6	227.55	6,479.9	6,925.8	445.8
IRRF 2 Construction		10,409.9	9,746.6	9,558.7	(187.91)	7,591.1	7,577.4	(13.68)	2,907.6	3,082.5	174.9
IRRF 2 Hon-Construction		6,525.7	6,032.8	6,216.3	183.57	5,361.7	5,587.8	226.16	3,112.7	3,376.3	263.6
IRRF 2 Democracy		905.3	884.9	885.7	0.85	850.3	865.4	15,06	459.6	467.0	7.3
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 & 2	20,912.8	20,314.2	19,137.5	19,134.0	(3.49)	16,276.4	16,503.9	227.55	8,886.5	9,332.4	445.8

Data as of July 13, 2005

[5.0] Promote the Rule of Law ñ Iraqi Judicial System



Jaíafari: Saddamís Trial Is An Iraqi Matter:

i Iraqi Prime Minister Jaíafari said July 11 that Saddamís trial is a purely Iraqi matter and foreign forces have no right to interfere in it. Jaíafari added, iSaddamís trial will be a great example to the world of the integrity of Iraqi justice. Iraqi justice is solely responsible for Saddamís trial and the whole world witnessed the bad acts of the previous regime, including human rights violations, mass graves and civil war in the northern part of Iraq. The jurisdiction of justice in Iraq is independent, and we want the trial to be fast, but not rash.î

Supreme Court Approves Death For Three Ansar Al Sunna Members:

The head of the Criminal Court in Kut said that the Supreme Court in Iraq has approved death sentences for three Iraqis who were convicted of homicide, kidnappings, and looting in Al Wihata and Al Suwana, south of Baghdad. The three were connected with the Ansar Al Sunna, a terrorist group that is connected with Al Qaeda. The Kut Criminal Court on May 22 issued death sentences for the three Iraqis, but the judgment required the Supreme Courtís approval to be carried out.

[6.0] Maintain Intíl Engagement & Support ñ Developments



International Support:

- ö On July 5, 109 Azerbaijani servicemen left for Iraq to serve in the city of Hadida with international coalition forces. They will replace their counterparts who have completed their mission.
- ï Egypt will reduce the number of staff at its mission in Baghdad, Foreign Minister Ahmed Aboul Gheit told reporters on July 8, one day after the Egyptian presidency confirmed Egyptian Charge díAffaires Ihab el-Sherifís death at the hands of kidnappers. The Foreign Minister did not say when the move would be implemented.
- i Iraqi officials say they hope nations will not pull diplomatic staff from Iraq after an al-Qaida threat to attack envoys. An Iraqi spokesman urged other countries not to be intimidated by the threats.
- i On July 7, Japanese Prime Minister Junichiro Koizumo said his country had no plans to withdraw its forces from Iraq now despite a series of bomb attacks in London. iThis is not an issue that is directly linked,î Koizumi said when asked about the issue after the London attacks, specifying there were no plans for an immediate withdrawal from Iraq.

[6.0] Maintain Intíl Engagement & Support ñ Stability Contributors



27 MNF-I Contributors (in addition to US)

Albania

Denmark

Korea

Poland

Armenia

El Salvador

Latvia

Portugal

Australia

Estonia

Lithuania

Romania

Azerbaijan

Georgia

Macedonia

Slovakia

Bosnia/Herz

Italy

Moldova

Ukraine

Bulgaria

Japan

Mongolia

UK

Czech Rep

Kazakhstan

Norway

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

28 Countries and NATO

(including US)

Support Iraqi Stability Operations

[7.0] Promote Strategic Communications ñ Developments



Strategic Communications:

- ï A consultant working with the Volunteers for Economic Growth Alliance (VEGA) on USAIDís Business Skills Training Program conducted a four day training in Baghdad on May 31 in support of the Iraqi Middle Market Development Fund, a loan program. Under this program, loans greater than \$500,000 are extended to established Iraqi businesses. During the training, the 13 business owners learned the importance of a business plan and how to prepare one that reflects goals and outcomes.
- The USAID Economic Governance II program sponsored the First Annual Iraqi American Chamber of Commerce and Industry Conference for Investment Promotion in Kurdish Iraq in early spring. The conference, held in Arbil, attracted 450 business leaders, government leaders, association professionals and private investors. This pioneering effort raised awareness about business opportunities in northern Iraq, created networking opportunities, and shared information on capacity development and training assistance programs.
- Ön July 8, the Embassy facilitated the travel of nine Iraqi journalists to cover the Joint Commission on Reconstruction and Economic Development (JCRED) Conference in Amman. These journalists, whose news outlets do not have bureaus in Amman, will now be able to cover the conference in addition to the Iraqi news outlets that have a Jordanian presence.
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[7.0] Promote Strategic Communications ñ Developments



Strategic Communications:

- ï JO Magazine, an English language magazine for Jordanians, ran a spread on the Iraqi Security Forces and their training at the Jordan International Police Training Center (JIPTC) in Amman, Jordan.
- The Combined Press Information Center in Baghdad is now compiling its daily press releases into a single, monthly compendium for the news media, highlighting the achievements of the roughly 140,000 US troops still there as well as the progress of Iraq's security forces.
- i United Nations efforts in Iraq were the focus of separate meetings in Najaf on July 10 between the Secretary-General's Special Representative to Iraq Ashraf Qazi, and the Grand Ayatollah Ali al Sistani, as well as Shi'ite Muslim cleric Moqtada al- Sadr. Mr. Qazi briefed the Grand Ayatollah al Sistani on the UN Assistance Mission for Iraq (UNAMI), including the work of the electoral team, the office of constitutional support and UNAMI's efforts to facilitate dialogue among all parties in Iraq. Mr. Qazi discussed with al-Sadr the importance of dialogue among all Iraqi parties for the peaceful transition to a sovereign and independent Iraq.

Iraq Weekly Status ñ General Information



- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- i Please forward all questions and/or comments to (unclassified) <u>NEA-I-IPOG-DL@state.gov</u> or (classified) <u>NEA-I-IPOG-DL@state.sgov.gov</u>